

**PART I - GENERAL INFORMATION AND APPLICATION - SERS Tier III**

**APPLICANT**

NAME (Last)	NAME (First)	M.I.	EMPLOYEE NUMBER	SOCIAL SECURITY NUMBER
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ADDRESS (Street No., Name, City, State, Zip Code)

LAST EMPLOYING AGENCY	ADDRESS (Street No., Name, City, State, Zip Code)
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Do you have a Pension Division Order ("QDRO") as a result of divorce/legal separation? Yes/No \_\_\_\_\_

If yes, has the order been submitted to and accepted by the Retirement Services Division? Yes/No \_\_\_\_\_

I am voluntarily applying for refund of my contributions and interest from SERS. By signing this application, I acknowledge that I have read it carefully and understand that by withdrawing my contributions, my credited service in SERS will be cancelled and I will have no rights to any type of retirement or retirement related benefit under SERS. By signing below, I agree and accept all terms of this Application. I acknowledge that prior to signing this Application, I had opportunity to ask questions and obtain additional information from Retirement Services Division staff with regard to the effect of such a refund on my retirement and retirement related benefits. I hereby seek to apply for a refund of all contributions I have paid into the SERS Tier III retirement plan.

SIGNATURE OF APPLICANT	DATE	TELEPHONE NUMBER
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**NOTARY CERTIFICATION**

I hereby certify and affirm this Application was signed by the person whose signature appears above.

**SEAL HERE**

Signed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signature of Notary Public: \_\_\_\_\_

Printed Name of Notary Public: \_\_\_\_\_

State: \_\_\_\_\_ Town: \_\_\_\_\_ My commission expires \_\_\_\_\_

**AGENCY USE ONLY**

CORE-CT DEPT. ID	OFFICIAL TERMINATION DATE	NO. OF VACATION DAYS ACCRUED & PAID	LAST CHECK DATE	AMOUNT PAID
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**IMPORTANT NOTE:** IF EMPLOYEE IS RECEIVING OR RECEIVED WITHIN THE LAST SIX MONTHS WORKERS' COMPENSATION, DO NOT FORWARD REFUND APPLICATION TO THE RETIREMENT SERVICES DIVISION UNTIL ALL PAYROLL ADJUSTMENTS HAVE BEEN PROCESSED.

SIGNATURE (Payroll Supervisor or designated official)	TITLE	DATE	TELEPHONE NUMBER
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**RETIREMENT SERVICES DIVISION USE ONLY**

PROCESSED BY	DATE	LIST NUMBER
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**Please refer questions regarding this application or refund to: Retirement Services Division, Data Base Unit at 860-702-3517.**

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**PART I - GENERAL INFORMATION AND APPLICATION - SERS Tier III (continued)**

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Completion of this application is required for the Connecticut State Employee Retirement System (SERS) Tier III members who: (1) have contributed to SERS as a member of the Tier III retirement plan, (2) do not meet the service requirements for vested rights retirement under SERS Tier III plan provisions, and (3) have terminated their state employment. There are three parts to this Application for Refund of Contributions:

- I General Information and Application**
- II Income Tax Withholding ("Safe Harbor") Explanation**
- III Election Form**

The Application (**PART I**) and Election Form (**PART III**) must be filled out, witnessed and returned to the Retirement Services Division. Under SERS Tier III retirement plan provisions, members who have completed at least ten (10) years of vesting service are eligible for a vested rights retirement benefit. Tier III provisions bar members from requesting a withdrawal of their retirement plan contributions once they have attained vested status in Tier III. If the applicant is eligible for a retirement benefit from SERS, this application should not be completed. Instead, the applicant must contact their agency payroll or human resources officer for completion of Form CO-898, "Application for Retirement Benefit".

The SERS Plan Document authorizes a refund of employee contributions to terminated members. A refund results in the forfeiture of credited service for which member contributions were made. By receiving a refund you are forfeiting all service credit and are giving up all rights to any future benefits based upon those years of credited service. Your receipt of this refund discharges SERS from any liability for any portion of your retirement pension, annuity or other benefits based on this forfeited service.

**IMPORTANT: UPON RECEIPT OF YOUR REFUND YOU WILL IRREVOCABLY RELINQUISH ANY RETIREMENT RELATED BENEFIT INCLUDING HEALTH INSURANCE TO WHICH YOU MAY HAVE BEEN ENTITLED BY VIRTUE OF BEING A MEMBER OF THE STATE EMPLOYEES RETIREMENT SYSTEM.**

Note: a refund cannot be processed until all final contributions have been received. In addition, under Internal Revenue Code Section 402(f), a refund cannot be paid until at least 30 days after the applicant has completed and returned the election form, acknowledging receipt of the "Safe Harbor Explanation" (describing distribution options and tax consequences).

**APPLICANT INSTRUCTIONS:**

1. Read all sections very carefully and complete the sections entitled "Applicant" and "Election Form".
2. Your signature must be witnessed by a notary public.
3. If you have been terminated for less than one year, forward this application to the agency where last employed. If you have been terminated for a year or more then forward the signed application to the Retirement Services Division at the following address. Please make and keep a copy for your records.

Retirement Services Division  
State of CT - Office of the State Comptroller  
55 Elm Street - 3rd Floor  
Hartford, Connecticut 06106  
**ATTN: Data Base Unit**

4. Your refund will consist of monies not previously reported to the Internal Revenue Service as taxable income. Your options for payment of these taxable monies are described in this application; payment method **A** or **B** must be checked in order to process your refund.
5. Your refund check will be issued approximately 45-60 days following receipt by this Division of the properly completed application form, as required, or from the date of your final paycheck, whichever is later.
6. To avoid delay in processing your refund, please notify this Division in writing of any address change that occurs after you submit this application.

**AGENCY INSTRUCTION:**

If the member has been terminated for one year or less, complete the "Agency Use Only" section. Please remember: if the applicant is eligible for a retirement benefit from SERS, this application should not be completed.

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## PART II - INCOME TAX WITHHOLDING ("SAFE HARBOR") EXPLANATION

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This notice contains important information you will need before you decide how to receive your lump sum withdrawal (refund) of member contributions and interest as a Tier III member of the State Employee Retirement System (SERS).

SERS is providing this notice to you because all or part of the payment that you will soon receive from the SERS system **may** be eligible for rollover by you or SERS to a traditional IRA or an eligible employer plan. A rollover is a payment by you or SERS to another eligible employer plan or traditional IRA that allows you to continue to postpone taxation until a benefit is paid to you. An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code (IRC), including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a 403(a) annuity plan; a 403(b) tax-sheltered annuity; and an eligible 457(b) plan maintained by a governmental employer (governmental 457 plan). **After December 31, 2007, your payment can** be rolled over to a Roth IRA subject to the same limits that apply to rollovers from a traditional IRA to a Roth IRA.

An "eligible employer plan" is not legally required to accept a rollover. Before you decide to roll over your payment, determine whether the eligible employer plan accepts rollovers, the types of distributions it accepts as rollovers and documents required. Even if an eligible employer plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after tax amounts, you may wish instead to roll your distribution over to a traditional IRA. If an eligible employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or subject it to different tax treatment than distributions from SERS.

### Summary of IRS Regulations on Periodic Distributions

This notice contains important information you will need before you decide how to receive your refund plus earned interest (referred to as a "distribution"). Contributions made before July 4, 1997 and payments made to purchase service have already been taxed and are therefore **non-taxable** when distributed from your account. Contributions since July 4, 1997 and total interest earned have been tax deferred and **are taxable** when distributed. As a Tier III member, all your contributions have been made on a pre-tax basis however if you purchased any service credit, that purchase was done on a post-tax basis. The taxable balance is eligible for a "rollover" and can be taken as a "Direct Refund" or as a "Direct Rollover". A rollover is a tax free transfer of an eligible distribution from one qualified employer retirement plan directly to another qualified plan or to an IRA.

**If you choose a Direct Refund:** Tax-deferred contributions and accumulated interest credited to your account are taxed upon withdrawal. The Internal Revenue Service (IRS) requires that SERS withhold 20% from your refund if you do not roll over the funds to a qualified retirement plan or IRA. You can roll over the distribution by reinvesting it as stated above within 60 days of receiving the distribution. The amount rolled over is not taxed until you take it out of the IRA or employer plan. You have up to 60 days to roll over the eligible portion of your distribution. If you elect not to roll over when the distribution is made and later (within the 60 days allotted) decide to roll over, *you must find other money to replace the 20% that was withheld*. In addition, the IRS imposes a special penalty tax on early distributions, such as lump sum distribution, received before the plan participant reaches age 59 1/2. This special penalty tax of 10% of the taxable portion is applied in **addition** to the regular income tax.

**If you choose a Direct Rollover:** The taxable balance of your contributions and interest are not taxed in the current year and no income tax is withheld. The taxable portion of your refund will be made payable to the IRA or qualified plan you identify on this refund application. This check will be mailed to your home address and it will be your responsibility to forward it to the institution you have chosen. Your refund will be taxable when you take it out of the IRA or qualified plan. Any non-taxable portion of your refund will be made payable to you. Please be advised that you must check with your financial institution or plan administrator before initiating a rollover to verify its acceptance and determine if such institution or plan limits the amount of money that may be rolled into your account.

### How To Obtain Additional Tax Information

This notice summarizes certain federal (not state or local) tax rules that might apply to your refund. The rules described in this notice are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you should consult with a professional tax advisor before you receive a distribution from SERS. You can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, "Pension and Annuity Income"; IRS Publication 590, "Individual Retirement Arrangements"; IRS Notice 2007-7 and IRS Form 4972, "Tax on Lump Sum Distributions". These publications are available online at [www.irs.gov](http://www.irs.gov) or from your local IRS office. You may also request forms and publications from the IRS by calling 1-800-TAX-FORM. **Please note the 20% mandatory federal tax withholding is the responsibility of SERS. Any further tax liability is the sole responsibility of the member receiving the lump sum distribution. An IRS Form 1099-R will be issued to you in January of the year following the date of your refund check. If you choose a direct rollover you will receive two separate IRS 1099-R forms; one for the taxable portion which was paid in the direct rollover and one for the non-taxable portion.**

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**PART III - ELECTION FORM**

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NAME (Last)	NAME (First)	M.I.	EMPLOYEE ID

Place a check in either box "A" or "B" below to indicate the payment method that you are electing for the taxable portion of your refund. If you elect a direct rollover, you must indicate whether it is an individual retirement account (IRA) or another qualified employer pension plan.

**A.** ☐ I elect a direct rollover of the taxable portion of my refund distribution to the following account:

☐ IRA              ☐ OTHER QUALIFIED PENSION PLAN

Recipient Institution or Plan Name  
to which check will be made payable: \_\_\_\_\_

Account Number: \_\_\_\_\_

**B** ☐ I elect to receive both the taxable and non-taxable portions of my refund distribution. I understand that if the taxable portion of the refund is \$200.00 or more, 20% federal tax will be withheld.

I certify the following: I have read, or had read to me, the information contained in this application including the "safe harbor" explanation and had the opportunity to seek advice on the refund, my choice of election and its tax consequences. I understand and acknowledge that the Safe Harbor explanation contained in this application is simply an overview of applicable laws and regulations. I understand and acknowledge that I alone am responsible for both seeking appropriate tax advice and for any income tax liability with regard to, or as a result of, this requested refund. I am not now employed in a job requiring me to make contributions to SERS, and if I should become reemployed in such a job before I receive my refund, I will notify the Retirement Services Division to cancel this application. I understand that my refund cannot be paid until this application has been completed and all necessary information has been received. I understand that upon receiving my refund, I forfeit all rights to my retirement service credit and any and all pending or accrued benefits provided by SERS.

SIGNATURE OF APPLICANT	DATE	TELEPHONE NUMBER
SIGNATURE OF WITNESS	DATE	TELEPHONE NUMBER